

EX PARTE ORAL PRESENTATION  
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Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street  
Washington, D.C. 20554

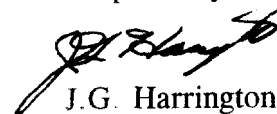
Re: CC Docket 95-116; RM 8535  
ORAL EX PARTE PRESENTATION

Dear Mr. Caton:

I am writing this letter to report that yesterday Mr. Alexander Netchvolodoff and Ms. Alexandra Wilson of Cox Enterprises, Inc. and Mr. James Robbins of Cox Communications, Inc. met with Chairman Reed Hundt and John Nakahata of his staff; Commissioner Andrew Barrett and Lisa Smith and Todd Sibergeld of his staff; and Commissioner Rachelle Chong. During those meetings, issues relating to the above-referenced proceeding were discussed, along with additional matters that did not relate to pending Commission proceedings. The discussion related to the positions taken by Cox Enterprises in its comments in the proceeding and to the matters described in the attached materials, which were provided to the Commissioners and staff members attending the meetings.

In accordance with the requirements Section 1.1206(a) of the Commission's Rules, an original and one copy of this letter are being submitted to the Secretary's office and copies of this letter are being provided to the Commission participants in the meetings. Due to the lateness of these meetings, this letter is being filed on the day after they were completed.

Respectfully submitted,

  
J.G. Harrington

JGH/taf

cc: Hon. Reed Hundt (by hand)  
Hon. Andrew Barrett (by hand)  
Hon. Rachelle Chong (by hand)  
Lisa Smith (by hand)  
Todd Sibergeld (by hand)  
John Nakahata (by hand)

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## KEY ISSUES AFFECTING THE DEVELOPMENT OF NUMBER PORTABILITY

The following is a description of key issues affecting the development of local number portability in areas where local telephone competition is being authorized. Because number portability will evolve over time, it is important to focus on both near-term and long-term concerns. This paper covers four areas of concern: (1) General principles; (2) Interim portability; (3) Permanent portability; and (4) the Commission's role.

### *General Principles*

1. **Priority Should Be Given to Service Provider Portability:** Service provider portability is the ability to switch carriers without changing telephone numbers. This kind of portability is crucial to the development of competition. Location portability — the ability to keep your telephone number if you move from one place to another — is unimportant to competition, is technically difficult and raises difficult policy questions that should be addressed separately from service provider portability.
2. **Number Portability Is Crucial to the Development of Competition:** Without number portability, it will be difficult for new competitors to succeed in the marketplace because they will have to convince customers to change not only their telephone companies but also their telephone numbers. Telephone numbers are very important to many customers, especially if the numbers have not been changed for years or if a customer has spent significant effort to build up recognition of a specific number. One study found that 70-80 percent of business customers who otherwise would be willing to consider changing telephone companies would be unwilling to do so if it meant giving up their telephone numbers.

Local competition without number portability would be something like long distance competition before equal access. In those days, using MCI or Sprint meant that a customer would have to endure significant inconvenience (such as dialing a local access number, an account number and, only after dialing many other digits, the telephone number being called). It is no coincidence that MCI, Sprint and other competitors did not have significant market share until equal access was implemented across the country. Moreover, just as equal access permits customers to switch from AT&T to Sprint and back again, number portability also will eliminate barriers to incumbents that want to attract customers from new entrants.

3. **Number Portability Benefits All Customers:** Number portability is not a special benefit just for new entrants, but rather is good for all

customers. Number portability will let all consumers reap the benefits of local competition, just as equal access reduced prices for everyone by opening up competition in long distance, and just as 800 number portability created new, beneficial competition in 800 service. Number portability also will benefit incumbents, by enhancing their ability to woo the customers of new entrants.

### *Interim Portability*

1. **Interim Number Portability Should Be Implemented Immediately:** Existing technologies, such as remote call forwarding, permit a form of number portability to be implemented today. These technologies should be made available to new entrants immediately so that they can begin offering service to the widest range of customers.
2. **Interim Number Portability Is Not the Final Answer:** While implementation of interim number portability is important, all of the existing interim portability technologies are flawed. These flaws include the following:
  - (1) Interim portability technologies typically use numbering resources inefficiently, often requiring the use of two numbers for every customer line.
  - (2) Interim portability technologies can degrade the overall quality of the telephone service provided to the customers of a new entrant.
  - (3) Interim portability technologies do not permit new entrants to offer many popular optional services, including call forwarding, call waiting and caller identification.

As a result, existing number portability technologies represent the starting point, not the end result, of the search for a long term number portability solution. The permanent number portability solution must permit customers to switch telephone companies without any reduction in quality, without losing the ability to purchase popular services and without wasting numbering resources.

3. **Interim Portability Should Be Made Available at No Charge:** There are several reasons to make interim portability available for no charge. First, interim portability technologies are inexpensive, and may cost the company providing them only pennies a month. Second, it would be unfair to make the users of interim portability pay for the inherently inferior service that results from interim technologies. Third, if incumbents do not receive premium payments for interim portability, they will not have an added incentive to delay the advent of permanent portability.

### *Permanent Portability*

1. **Permanent Number Portability Should Be Required by a Date Certain:** Incumbent carriers do not want portability because they do not want real competition. The only way to assure that portability will be implemented is to require it by a specific date. The date should be set based on the progress of industry, state and FCC efforts to define a permanent number portability scheme. There is no reason that permanent number portability cannot be phased in beginning in the next two years.
2. **The Costs of Permanent Number Portability Should Be Shared Equitably:** Because number portability benefits all competitors and consumers, the costs of permanent number portability should be shared by all companies that make use of the portability technology. At the outset, companies should bear their own costs for network modifications necessary to accommodate portability. The ongoing costs of portability, such as the costs of maintaining a portability database, should be paid based on usage, *e.g.*, through a charge for each use of the database. This is how costs of 800 portability are recovered and also is typical of the way telephone industry costs are recovered generally.

### *The Commission's Role*

The Commission already has taken an important first step by opening its current proceeding on number portability. The Commission should continue its leadership role and ensure prompt and uniform implementation of standards for service provider local number portability.